

**STATE OF NEW MEXICO
BEFORE THE SECRETARY OF THE ENVIRONMENT**

**ZIA HILLS CENTRAL FACILITY
(CONOCOPHILLIPS) FOR AN AIR QUALITY PERMIT,
NO. 7746-M8**

AQB 21-36

FINAL ORDER

This matter comes before the Deputy Secretary of Environment¹ following a public hearing before the Hearing Officer on October 25-26, 2021, held virtually via the Zoom platform with the option for individuals to attend the virtual hearing at a location within the appropriate geographical area, consistent with the Amended Scheduling Order entered August 6, 2021.

ConocoPhillips Company (“COPC”) operates the Zia Hills Facility (“Facility”), a central gathering facility located in Lea County, New Mexico. The Facility receives oil and gas from wells and compresses and dehydrates natural gas before sending them to sales lines. Oil, gas, and water flow separately into the facility. Gas is dehydrated and then reinjected for gas lift or compressed to the sales line. Oil is stabilized then temporarily stored in tanks before being sold via pipeline. Water is processed, then temporarily stored before being shipped offsite via pipeline. Engine emissions are controlled using engine catalysts and emissions from dehydrators are controlled by reboilers and condensers. The Facility also uses a vapor recovery unit (as well as a backup) and three flares to control emissions.

The Facility currently operates under the General Construction Permit – Oil & Gas issued by New Mexico Environment Department (“NMED”) in 2018. Accordingly, the Facility’s operations are subject to the terms and conditions of the current Permit, along

¹ See June 29, 2021, Delegation of Authority.

with other state and federal emissions regulations. COPC intends to increase production from the Facility to 18,503 barrels of oil per day and 120 million standard cubic feet per day.

COPC applied for a minor source New Source Review permit from NMED to authorize the production increase and the equipment necessary to support the increase. Following both an administrative and technical review, NMED issued the Draft Permit on May 11, 2021, and the Air Quality Bureau supports the approval of the permit allowing construction and operation of the plant with permit conditions necessary to protect human health and welfare and the environment.

Having considered the Hearing Record as defined in 20.1.4.7 NMAC, including all post-hearing submittals and the Hearing Officer's Report, and being otherwise fully advised regarding this matter,

THE DEPUTY SECRETARY HEREBY ADOPTS THE HEARING OFFICER'S REPORT AND FINDINGS OF FACT AND CONCLUSIONS OF LAW.

IT IS THEREFORE ORDERED:

The application for an air quality permit is granted, and the permit shall be issued by the Air Quality Bureau in the form set forth in the Draft Permit, as shown in the Administrative Record.

Rebecca Roose

Digitally signed by Rebecca Roose
Date: 2022.02.10 15:11:13 -07'00'

REBECCA ROOSE, Deputy Secretary of Environment

NOTICE OF RIGHT TO REVIEW

Pursuant to Section 74-2-7.H, NMSA 1978, any person who participated in this permitting action and who is adversely affected by the action may file a petition for hearing by the Environmental Improvement Board, c/o Gregory Chakalian, 1190 St. Francis Drive, Santa Fe, New Mexico 87502. The petition shall be made in writing to the Board within thirty days from the date notice is given of this action.

Certificate of Service

I hereby certify that on February 10, 2022, a copy of the **Final Order** was sent to the persons listed below:

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